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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
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RUEHAK/AMEMBASSY ANKARA 2857
RUEHBJ/AMEMBASSY BEIJING 0678
RUEHKO/AMEMBASSY TOKYO 0554
RUEHIT/AMCONSUL ISTANBUL 1130
RUCPDO/DEPT OF COMMERCE WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RHMFIUU/CDR USCENCOM MACDILL AFB FL
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
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SUBJECT: TURKMENISTAN: ONE AMERICAN'S TALE OF STARTING AN
I.T. BUSINESS

REF: ASHGABAT 1039

11. (U) Sensitive but unclassified. Not for public Internet.

12. (SBU) SUMMARY: Over lunch October 9, an American businessman (cautiously) told of his experiences in opening an Ashgabat office of his information technology company, including a bump in the road involving a poorly chosen local intermediary. Without being specific about his successes and failures, he suggested his Turkmenistani interlocutors do not understand technology well enough to select the best choices for them. He also pointed to a general lack of understanding about how business works. END SUMMARY.

NUTS AND BOLTS OF BUSINESS

13. (SBU) EconOff met on October 9 with the Central Asia Director and co-founder of a U.S. company, Advance Computer Network Services (ACNS). According to the company brochure, ACNS specializes in computer and digital technology solutions and represents international technology manufacturers such as HIS, TCC, Original, and Lenten. ACNS provides services such as computer networking, wireless access, ADSL and high speed Internet, satellite reception and transmission, WAN/LAN connectivity, digital data storage, hardware and software, tools and safety equipment, and maintenance. One of the few American businessmen in Ashgabat inspired him to open up in Ashgabat, and helped him identify a person to assist with registration. He has been in Turkmenistan for two months. Previously, he represented ACNS in Baku for a year, and before that, he taught English in Hong Kong for ten years.

14. (SBU) He has a locally-engaged consultant and four local staff. Unfortunately, the person he hired to assist with registration, a notoriously tedious and complicated process, turned out to be a scam artist. The local intermediary cut corners on the paperwork and it appears he tried to set up the company for his own benefit and/or profit.

WELCOME TO TURKMENISTAN...NOW HURRY UP AND WAIT

¶5. (SBU) Although ACNS usually learns about new tenders from its local consultant, the Ministry of Communications just informed him of its latest needs during a recent meeting at the Ministry. The ACNS director remarked that most of his clients here show a general lack of understanding of usual international business practices. In some cases, this is helpful -- during a cold call on the Central Bank, officials were extremely enthusiastic about learning what tools he could offer and asked him to come in right away. However, he also commonly encounters unrealistic deadlines. For example, officials in Ashgabat frequently expect proposals to be delivered the same day that he makes his initial calls.

KIDS IN A CANDY STORE

¶6. (SBU) Citing recent Ministry of Communications tenders for installation of Digital (DSL), wireless technology (Wi-Fi), and Worldwide Interoperability for Microwave Access (WiMAX), he feels certain that the Government of Turkmenistan is planning to permit broad access to the Internet. At the same time, because these various technologies have comparative advantages and disadvantages, and it does not make sense to install all of them in Turkmenistan, he suggested that Turkmenistani officials really needed help to understand the technology landscape.

¶7. (SBU) Indeed, the local enthusiasm for new technology is so great that his interlocutors want everything on offer. He spends considerable time in the early stages of the selling cycle to understand their needs in order to find the best fit, including for software. Currently, the fad is SmartBoard technology, something everybody seems to want.

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¶8. (SBU) COMMENT: ACNS has plenty of company when it comes to feeling under pressure to deliver under unrealistic deadlines. Recently, John Deere officials informed the DCM that they are concerned about the possibility of filling orders in time for the cotton harvest, since officials drag their feet to sign off on contracts but expect instant delivery when they finally do. This, and the difficulty officials and others here have successfully identifying product needs, points to the need for an enhanced understanding of business practices so that officials can use their financial resources more wisely.

¶10. (SBU) COMMENT CONTINUED: Signs are pointing toward an increased U.S. business presence in Turkmenistan. October 10, a Connecticut firm seeking to develop wireless broadband communications using WiMAX technology asked embassy's advice for setting up a meeting with the Minister of Communications.

Also on October 10, EconOff met with a Turkish citizen who runs a Delaware-registered construction firm, who is in the process of registering the company in Turkmenistan. An increased U.S. business presence almost certainly will place new strains on existing resources here -- and require additional interagency involvement down the road. END COMMENT.

HOAGLAND